

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 5/24/2012

Action Requested By:
Legal

Agenda Item Type
Resolution

Subject Matter:

SDA TIF5 Series 2012-B

Exact Wording for the Agenda:

Resolution authorizing the Mayor to enter into Supplemental Development Agreement TIF5 Series 2012-B between the City of Huntsville and LW Redstone.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost: 3,000,000

Budgeted Item: Yes

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: _____

Date: _____

RESOLUTION NO. 12- _____

BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to enter into a Supplemental Development Agreement by and between the City of Huntsville and LW Redstone Company, LLC, on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as "Supplemental Development Agreement TIF5 Series 2012-B between the City of Huntsville and LW Redstone Company, LLC," consisting of four (4) pages and the date of May 24, 2012, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the 24th day of May, 2012.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 24th day of May, 2012.

Mayor of the City of
Huntsville, Alabama

**SUPPLEMENTAL DEVELOPMENT AGREEMENT
TIF5 – SERIES 2012-B TO ANNEXATION AND
DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF HUNTSVILLE AND
LW REDSTONE COMPANY, LLC, IN
THE AMOUNT OF \$3,000,000**

Pursuant to Section 7.3 of the Annexation and Development Agreement dated March 25, 2010, ("Agreement"), between THE CITY OF HUNTSVILLE, ALABAMA, a municipal corporation organized and existing pursuant to the laws of the State of Alabama ("City") and L W REDSTONE COMPANY, LLC, a Delaware limited liability company ("Owner"), City and Owner enter into this Supplemental Development Agreement, and hereby provide more specifically of the obligations of City and Owner.

A. IMPORTANT DATES (ESTIMATES ONLY)

Commencement of City work related to Agreement Section 6.2	May, <u>2012</u>
Owner Warrant Issue	<u>TIF Revenue Warrant, TIF5</u> <u>Series 2012</u>
Commencement of Owner development work	<u>N/A</u>
First ad valorem assessment of Owner's development work Pursuant to this Supplemental Development Agreement	<u>N/A</u>
First TIF Revenues received by City	<u>N/A</u>

B. OWNER IMPROVEMENTS

Scope of Work for Supplemental Developmental Agreement TIF5 – Series 2012-B

This fourth Supplemental Development Agreement (SDA) continues funding for the Phase I project costs. A scope of work, estimated costs, and estimated completion dates are summarized below:

INCIDENTAL LEGAL AND FINANCIAL EXPENSES – Legal expenses for issuance of the Owner's warrant for this phase of work. Estimated cost \$6,500.00.

CONSTRUCTION CONTRACTS - Construction features to be funded consist of design packages as listed below.

- 1. REDSTONE GATEWAY EXTENSION, MARKET STREET, AND
OVERLOOK ROAD RELOCATION PACKAGE 1F-4 Landscape, Irrigation
and Hardscape, Project No. 65-11-SP22 Construction Contract** to be awarded to Vision Landscapes, Inc. for the installation of landscaping, irrigation, and hardscape

President of the City Council of the
City of Huntsville, Alabama
Date;

for the Redstone Gateway Extension, Market Street, and Overlook Road Relocation Package for a total contract amount of \$602,799.08.

2. **Knight Sign Industries, Inc. for Redstone Gateway Package H-Monumental Architectural Signage, Project # 65-12-SP22.** This agreement is for the installation of monumental architectural signage for the Redstone Gateway Project, for the following amounts: Award Base Bid: \$136,905.00, including Option #3: \$663.00 for a total contract amount of \$137,568.00
3. **LBYD, Inc. Civil & Structural Engineers for Engineer Design Services for Redstone Gateway Package 1I-Lake F Expansion, Project No. 6-12-SP23.** This is a Lump Sum Engineering Services Contract for the design of Lake F and all related drainage infrastructure and the demolition of the existing Redstone Arsenal substation and associated pole line and overhead wires, in the amount of \$83,650.00

ENGINEERING AND CONSTRUCTION COSTS TO BE DETERMINED – The amount of \$2,169,482.92 is allocated and budgeted in this SDA for engineering and construction costs which are contemplated and anticipated by the above referenced Annexation and Development Agreement but are not yet specifically defined at the time of issuance of this SDA. The prior written approval of the Owner (or the Owner's representative, COPT) and the CITY shall be required for the award of any contract funded or other expenditure of any portion of the \$2,169,482.92 in funds allocated and budgeted herein. The scope of work for these costs may be further defined by future modification to this SDA.

C. ESTIMATE TIF REVENUES

First year Ad Valorem taxes	\$ <u>N/A</u>
First year PILOT per Agreement Section 7.7	\$ <u>N/A</u>
TOTAL	\$ <u>N/A</u>

D. CITY COST & OWNER WARRANT AMOUNT

Maximum amount of City costs and Owner Warrant issue amount:

Regarding such costs pursuant to this Supplemental Development Agreement	<u>\$3,000,000</u>
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ADVANCE UNDER THE ANNEXATION AND DEVELOPMENT AGREEMENT-

The agreement between LW Redstone and the City of Huntsville provides for an initial advance for the Owner Warrants issued subsequent to the first Owner Warrant 5% of the costs on the Public Infrastructure Improvements referable to such warrant. The Initial Advance referable to this Owner Warrant is \$ -0-.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement.

(“OWNER”)

L W REDSTONE COMPANY, LLC

Dated: _____, 2012

By: _____

Its: _____

STATE OF MARYLAND)
COUNTY OF HOWARD)

I, the undersigned, a Notary Public in and for said County and in said State, hereby certify that _____, as _____, of LW Redstone Company, LLC, a Delaware corporation, is signed to the foregoing document, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, (s)he, as such officer and with full authority, executed the same for and as the act of said corporation on the date the same bears date.

GIVEN under my hand and official seal this the ____ day of _____, 2012.

(SEAL)

Notary Public
My Commission Expires: _____

("CITY")

THE CITY OF HUNTSVILLE,
ALABAMA,
A municipal corporation

Dated: _____, 2012

By: _____
Tommy Battle
Its: Mayor

ATTEST:

Charles E. Hagood
Clerk-Treasurer

STATE OF ALABAMA)
COUNTY OF MADISON)

I, the undersigned, a Notary Public in and for said County and in said State, hereby certify that Tommy Battle and Charles E. Hagood, as Mayor and City Clerk-Treasurer, respectively, of the City of Huntsville, Alabama, a municipal corporation, are signed to the foregoing document, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same for and as the act of said corporation on the date the same bears date.

GIVEN under my hand and official seal this the ____ day of _____, 2012.

(SEAL)

Notary Public
My Commission Expires: _____

ROUTING SLIP CONTRACTS AND AGREEMENTS

Originating Department: Legal

Council Meeting Date: 5/24/2012

Department Contact: Peter Joffrion

Phone # 427-5026

Contract or Agreement: SDA TIF5 Series 2012-B

Document Name: SDA TIF5 Series 2012-B

City Obligation Amount:

Total Project Budget: 3,000,000

Uncommitted Account Balance:

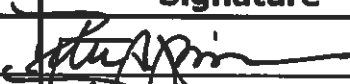

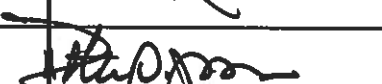

Account Number:

Procurement Agreements

<u>Not Applicable</u>	<u>Not Applicable</u>
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Grant-Funded Agreements

<u>Other</u>	Grant Name:
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Department	Signature	Date
1) Originating		<u>5-22-12</u>
2) Legal		<u>5-22-12</u>
3) Finance		
4) Originating		<u>5-22-12</u>
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		